

## Spotlight – July 2009

### Economics, Finance & Trade

**2007 Economic Census: Professional, Scientific, and Technical Service Industry Series.** *U.S. Census Bureau News.* May 26, 2009.

This is a series of national-level data files on the professional, scientific, and technical services sector (NAICS 54). These include data for industries such as legal services, accounting and tax preparation services, engineering and architectural services, and others. The files provide data on the number of establishments, revenue, payroll, number of employees, value of product line revenue, and other data items by industry. These data will be released through October 2009. [ARTICLE 504](#)

**Economic Slowdown Widespread Among States in 2008.** *Bureau of Econ. Analysis.* June 2009.

New statistics released by the U.S. Bureau of Economic Analysis show that economic growth slowed in most states and regions of the U.S. in 2008 as economic growth overall slowed. Real GDP growth slowed in 38 states, with downturns in construction, manufacturing, and finance and insurance restraining growth in many states. Growth in real U.S. GDP by state slowed from 2.0% in 2007 to 0.7% in 2008. [ARTICLE 505](#)

**Foreign Direct Investors' Outlays to Acquire or Establish U.S. Businesses Increased in 2008.** *Bureau of Economic Analysis, U.S. Department of Commerce.* June 4, 2009.

Outlays by foreign direct investors to acquire or establish U.S. businesses increased 3 percent in 2008, to \$260.4 billion. Outlays in 2008 were the third-largest on record and the sixth consecutive increase since a falloff in outlays in 2001-2002. [ARTICLE 506](#)

**June Oversight Report: Stress Testing and Shoring up Bank Capital.** *Congressional Oversight Panel.* June 9, 2009.

The usefulness of the bank stress test results depends upon the methods used and the assumptions that went into conducting the examinations. To help assess the stress tests, the panel engaged two internationally renowned experts in risk analysis, Professor Eric Talley and Professor Johan Walden, to review the stress test methodology. [ARTICLE 507](#)

**The Beige Book.** *Federal Reserve Board.* June 10, 2009.

Reports from the twelve Federal Reserve District Banks indicate that economic conditions remained weak or deteriorated further during the period from mid-April through May. However, five of the Districts noted that the downward trend is showing signs of moderating. [ARTICLE 508](#)

**Did the 2008 Tax Rebates Stimulate Short-term Growth?** *Congressional Budget Office.* June 2009.

In preparing its economic forecast published in Sept. 2008, the Congressional Budget Office (CBO) estimated that 40% of the tax rebates issued in the spring and summer under the Economic Stimulus Act of 2008 would be spent within six months, raising the growth of consumption in the second and third quarters of 2008 by 2.3% and 0.2%, respectively, and reducing it by 1.0% in the fourth quarter, when the distribution of the rebates was expected to end. Analysts disagree about the economic impact of tax rebates. [ARTICLE 509](#)

**The U.S. Financial and Economic Crisis: Where Does it Stand and Where do we go from Here?** By Martin Neil Baily and Douglas J. Elliott. *Business and Public Policy, Brookings Institution.* June 15, 2009.

The economy is showing signs that it is likely bottoming out and heading toward a weak recovery, but the nation need to keep optimism and keep policy actions in check, argue Martin Baily and Douglas Elliott. Many risks remain for both the banking system and the larger economy, and they argue for increased focus on existing financial rescue plans and the banking sector. [ARTICLE 510](#)

**The Multicultural Response to the Global Crisis: Rationale, Modalities, and Feasibility** by Eduardo Fernandez-Arias et al. *Inter-American Development Bank*. June 2009.

The paper reviews the case for a strong multilateral response to the global crisis in emerging markets (EMs). It discusses modalities and feasibility of intervention and its associated risks, depending on country circumstances of fiscal space and liquidity needs. [ARTICLE 511](#)

[e-journal USA: The Global financial System](#)

**Financial Regulatory Reform: a New Foundation.** *U.S. Department of Treasury*. June 2009.

Over the past two years the country has faced the most severe financial crisis since the Great Depression. Americans across the nation are struggling with unemployment, failing businesses, falling home prices, and declining savings. These challenges have forced the government to take extraordinary measures to revive our financial system so that people can access loans, pay for education, or finance a business, says the report. [ARTICLE 512](#)

**Metromonitor: tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas.** *Brookings Institution*. June 2009.

Beneath the constant drumbeat of headline numbers emanating from Washington on U.S. jobs, national unemployment, GDP, and home prices lies a complex, diverse set of 366 metropolitan economies. While no metro area has been immune from the current economic downturn, the pain is unevenly distributed. Some have felt only modest effects, and a few show early signs of recovery, while others are undergoing a wrenching restructuring that may fundamentally alter their economic trajectory. [ARTICLE 513](#)